

The Honorable Thomas M. Menino

Address to the Greater Boston Chamber of Commerce

December 8, 2009

Prepared for delivery

Thank you, Bob, and thank you Paul. Thanks to all of you for your well wishes over the past month. I am so happy to be here this morning, and Angela is even happier to have me out of the house!

Today gives me the opportunity to thank you for everything you do to make our city great. Whether it's John Hancock creating summer jobs for teens, Boston University offering scholarships to our students, or Liberty Mutual supporting the 4th of July concert, we are lucky to have all of you in Boston.

Thank you for joining us on an exciting election day. I do want to start by recalling something I said on the evening of my re-election one month ago: We haven't made history by winning a fifth term, but we will with what we achieve in it.

I want to accomplish as much in the next four years as we have achieved in the previous sixteen.

We have great momentum. This month, I have been talking with Vice President Biden about our ideas to create new jobs and spark economic growth. The White House asked us to convene a jobs summit this week. Last week, we won our fourth consecutive census challenge, bringing Boston's population to over 620,000 people (and we believe it's even higher than that). Our crime rate is at its lowest point in four decades and continues to drop.

And we're gearing up for the next term, when we will take on big challenges – not just when it's easy, but when it's hard, too.

We will begin a new era of innovation and excellence in the Boston Public Schools; jumpstart stalled development projects in Allston, the South Boston Waterfront, and Downtown Crossing; make the Harbor Islands and the Greenway as central to our city's identity and as important to all of us as the Boston Common and the Public Garden; and strengthen city government by implementing new technology, rebalancing public safety services, and pursuing consolidations where it makes sense.

This type of transformative change will not be easy, especially in today's economic climate. But I am energized and excited, and I know we will reinvent our great city once again.

We're all going to have to work together. In that spirit I am pleased to welcome Dr. Carol Johnson, the Superintendent of the Boston Public Schools; John Palmieri, Director of the Boston Redevelopment Authority; and, Lisa Signori, Director of Administration and Finance. These leaders are just three members of my great team. I want to take this time to thank the City's cabinet members and department heads for their dedication to the people of Boston.

I asked Carol, John and Lisa to speak today – to partner on stage – to make it crystal clear: we can't make progress unless we work together. Boston is about much more than me or any one of us – it's about all of us, including the folks in this room, working as a team to move our city forward.

Nowhere is this partnership more important than the Boston Public Schools. It's my pleasure to introduce Superintendent Johnson who will talk about our plans for excellence.

Remarks of Superintendent Carol Johnson

Boston Public Schools

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I want to thank Mayor Menino for inviting me to join you this morning. We are so fortunate to have a Mayor whose passion and willingness to stand firmly as the Education Mayor, the Children's Mayor, is relentless and unparalleled.

This morning, I'd like to outline some of the challenges we face at the Boston Public Schools, share our strategies for success, and convey how you can help to produce the future leaders on whom you will one day rely.

Last month, we presented pathways for turning around 14 of our lowest performing schools, as well as levers for elevating even our strongest schools to new heights.

Today we have a mixed picture, as the pyramid in this slide reflects. We have schools that excel – in fact, eight of our high schools were identified by *US News and World Report* as among the top performers in the nation. But we also have schools in need of urgent intervention, and schools at points in between. Our work is designed to create excellence across the board. Even Boston Latin School must continuously strive to maintain its position as parents' first choice.

We have three goals: proficiency for all, closing access and achievement gaps, and graduating students who can complete college, prepared for career success. We have four key strategies to reach our aggressive targets: we are strengthening teaching and school leadership, we are replicating success and turning around low-performing schools, we are deepening

partnerships with students, families, and the community, and we are redesigning district services for effectiveness, efficiency, and equity.

We not only know what we need to do; we know how to do it. The Edwards in Charlestown is one example. The Edwards Middle School had 12 percent of its students at the proficient level in Math in 2006. Now they are above the state in the percent of students scoring proficient and advanced – 56%, and that’s not the same thing as just passing the test. With a transformational leader, talented staff, extended learning time for kids and adults, and business and community partners such as Fidelity Investments who stepped in to provide enriching experiences for students, this school has become one of our most highly chosen middle schools.

Over the course of the year ahead, we will be taking several steps to ensure that the turnaround at the Edwards can be achieved at all of our schools. One key step is renegotiating our current Boston Teachers Union contract. No educational reform we propose can be realized without those who directly teach our students. We value and appreciate our teachers, and I acknowledge that the challenge today is much more demanding, and the outcomes more consequential, but we must shift from excuses to a focus on results. We cannot be held hostage by the old rules that govern teacher placement and prioritize adult preferences over children’s. We cannot defend schools that we would not choose for our own children; we cannot protect employees whom we would not entrust with our most talented student or our most vulnerable child. In my conversation yesterday with Secretary Arne Duncan, it was clear that he sees these reforms as urgent and that he fully expects school district leaders and union leaders to operate differently.

Secretary Duncan also reiterated that the federal government will make new funding available to states, schools, and districts – but only to those who step forward and prove that they are ready to lead the pack and say goodbye to business as usual. We are prepared to change, but we must have the tools to self-correct. Many of these tools can be attained through state legislation that gives districts that flexibility. The Mayor’s initial in-district charter bill has been incorporated into a bill currently before the legislature. Without it, transformation will be more difficult and the state will lose the chance to compete for the federal government’s \$5 billion Race to the Top funding at a time when Massachusetts faces a revenue shortage. Your assistance with this legislation is urgent. We need your advocacy to ensure that local districts have the power to make meaningful reforms and intervene before schools become chronically underperforming. Allowing binding arbitration to be part of the plan to turn around an underperforming school, or requiring union sign-off for the creation of an in-district charter school will only delay the pace of progress. On January 19, the Commonwealth must submit our application to the Department of Education. We can’t afford to be left behind.

We need the business community to stay involved. We need you at the table, actively working with us and speaking out on these critical issues. You do have a vested interest. Today, we ask for your help in our efforts to make all of our schools places where all 56,000 students we educate will succeed.

Remarks of John Palmieri

Director, Boston Redevelopment Authority

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Thank you, Superintendent Johnson, and good morning.

As the Mayor and the Superintendent have said, to get the results we seek, we need to work together with urgency and purpose.

Thankfully, due to the efforts of all of us in this room, Boston's economy starts in a place of strength.

Our unemployment rate has been below the U.S. average and at or below the state average every month this year.

There are 4 million square feet of construction underway right now in our city, including the new building at Russia Wharf next door.

Overall, our development pipeline contains \$24 billion across all sectors. This includes \$10 billion in projects already permitted and ready to break ground.

In the last several months:

- The Milken Institute ranked Boston's life science cluster as the best in the nation. In the last two months, we've welcomed two new bio-tech companies to the City.
- The Wall Street Journal placed Boston on its top ten list of magnet cities for young adults. And the BRA's One in 3 program has been leading the way.

- And, as the Mayor said, for the fourth consecutive time, we successfully challenged the U.S. Census. Because the Census noted that Boston's population has grown once again, the City will annually receive \$12 million more in federal investment.

But that was yesterday; we know the future holds big challenges and incredible opportunities.

To make sure Boston competes as the world's hub for innovation, Mayor Menino has asked the BRA to think differently – in areas where we must perform better and in areas where we have succeeded. The BRA embraces this approach.

One area we are prioritizing is Downtown Crossing. In the last decade, this area has seen a lot of change. The Paramount Theater, the Modern Theater and the Opera House – once shuttered – will all soon be back; college students from Emerson and Suffolk now fill the cafes; new residents are moving into places like 45 Province Street.

Businesses are mobilizing to create the City's first Business Improvement District. If you're a property or business owner in Downtown Crossing, I urge you to support this effort. For those of you who may be located nearby, consider how the added vitality a BID will attract even more people to the area.

Of course, much of the attention in Downtown Crossing is focused on the One Franklin project – the former Filene's site. We must begin a process to re-imagine One Franklin Street. Rather than dwell on old notions of what will work there, we should consider changing the balances of uses – we need to focus on what will animate that site again and strengthen the surrounding neighborhood.

We're taking this same type of approach to many challenges.

On the South Boston Waterfront, we're exploring new partnerships that will make these sites attractive for the growth of the life science sector, or workforce housing to support researchers, or office buildings that set new standards for sustainability.

For the Marine Industrial Park, we're looking at developing BRA parcels that are ready to go. At the same time, we are pursuing \$84 million in infrastructure investments that are ready to begin this spring to create thousands of jobs and unlock several more parcels.

We will continue to improve the Article 80 process so that it works better for developers and communities.

To create new jobs, on Thursday, the Mayor will convene a Jobs Summit at the request of the White House. This is our opportunity to influence the next federal economic stimulus programs and a chance for us to rethink our own workforce development efforts.

For Boston to lead the way out of the recession, all of us need to work together and think differently. As you can see, we have some ideas about what our future could look like. But we are under no illusion that we have all the answers, so we look forward to working with you to push past what we thought was possible.

Thank you, and now I would like to turn it over to Lisa Signori, the City's Director of Administration & Finance.

Remarks of Lisa Calise Signori

Director of Administration and Finance, City of Boston

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To achieve the Mayor's transformational plans that Carol and John spoke about, we must continue to have a financial plan that works. As Mayor Menino tells me all the time, a city doesn't work if its finances don't work. That's why, under his leadership, we have made the tough financial decisions even in good times that have given us stability in the tough times.

Nevertheless, this year, for the first time in 15 years, the City's budget has declined. And, Fiscal Year 2011, we know, promises to be even harder. As the capital city, we must take on the big financial challenges that our city, and every municipality, face.

There is no bigger challenge than soaring health care costs. Municipalities in Massachusetts spend about \$2 billion a year on health insurance, and in Boston alone, we are spending about \$280 million – that's one out of every eight dollars and growing.

It doesn't have to be this way. As you can see in the slide, the State has been able to control the growth of insurance costs far better than the City. This is because the State can make changes to health care plan design outside of collective bargaining. The City does not have this management power. Last December, Mayor Menino filed State legislation to give all municipalities the same powers over health plan design as the Commonwealth to manage health care costs. I know that the Legislature has a full plate, but with this bill, time is of the essence.

With every month that goes by without this legislation passing, Boston loses over \$1 million. That's over \$1 million *each month* that could have been invested in turning around a school, preserving public safety, and investing in infrastructure.

With the tools we currently have, the City is doing all it can to reduce health insurance costs. This past year alone, we've saved \$5 million through tough negotiations with our health care providers and another \$10 million through agreements with our municipal unions. I want to thank our unions for their collaboration.

Under the municipal model, we can only do so much. Since 2001, the City's health insurance costs have increased by 127 percent, while all other spending growth has been relatively flat. Soaring health insurance costs are crowding out other spending.

Now, some people ask, "Why don't you join the State's Group Insurance Commission, or GIC?" That may be the right move for some municipalities, but it's not a silver bullet for everyone. To join the GIC, you need a 70% approval from a committee of union representatives.

Let's not be naïve: to get something, you have to give something. The better, the smarter, the more sustainable solution is for the State to allow cities and towns to remove health plan design from collective bargaining.

The State's model provides employees with quality health care while containing costs for taxpayers. It is a model that works for them; it will work for cities and towns across the Commonwealth.

I know I have thrown a lot of statistics at you, but here's the one that I want you to remember. We lose over \$1 million every month this bill fails to pass. We need your help to make this a top priority for the Legislature.

We will provide information to the Chamber. Your voices matter on Beacon Hill; and, with your help, we can pass this bill, not just for the benefit of Boston but for every city and town in the Commonwealth. Thank you in advance for your help and for the opportunity to discuss this critical issue with you today.

The Honorable Mayor Thomas M. Menino

Closing Remarks

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I am excited about our plans, and I need you to help us get them done. There are tremendous opportunities for you to make a real difference in your city.

- To protect the core services taxpayers deserve, we need the State to pass our health plan design reform bill.
- To strengthen our economy, we need your support for a business improvement district in Downtown Crossing and your new ideas for development there, for growth on the South Boston Waterfront, for improving Article 80, for creating new jobs.
- To improve our schools, we need the State Legislature to pass the Education Reform Bill. If this does not happen, Boston will not have the tools we need to implement our reform plans. If this doesn't happen by January 19th, we won't be able to compete for \$5 billion of federal education funding.

Teamwork goes both ways, so we stand ready and willing, as always, to help you. Our work together has brought our city a long way, and given us an unprecedented opportunity to cement Boston's greatness. Thank you.